

105TH CONGRESS
2D SESSION

H. R. 4213

To amend the Securities Exchange Act of 1934 to provide for an annual limit on the amount of certain fees which may be collected by the Securities and Exchange Commission.

IN THE HOUSE OF REPRESENTATIVES

JULY 14, 1998

Mr. SOLOMON (for himself and Mr. MENENDEZ) introduced the following bill;
which was referred to the Committee on Commerce

A BILL

To amend the Securities Exchange Act of 1934 to provide for an annual limit on the amount of certain fees which may be collected by the Securities and Exchange Commission.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Savings and Invest-
5 ment Relief Act of 1998”.

1 **SEC. 2. TRANSACTION FEES.**

2 Section 31 of the Securities Exchange Act of 1934
3 (15 U.S.C. 78ee) is amended by adding at the end the
4 following new subsection:

5 “(h) LIMITATION ON TRANSACTION FEES.—

6 “(1) EXCHANGE TRADED AND EXCHANGE REG-
7 ISTERED SECURITIES.—

8 “(A) IN GENERAL.—The Commission shall
9 for each fiscal year prescribe a limitation on the
10 amount of fees described in subsections (b) and
11 (c) to be paid by each national securities ex-
12 change and each national securities association,
13 based on the pro rata share of the aggregate
14 dollar amount of sales of securities described in
15 subsections (b) and (c) for the preceding cal-
16 endar year, such that the total fee payments
17 will not exceed—

18 “(i) \$150,000,000 during fiscal year
19 1999;

20 “(ii) \$155,000,000 during fiscal year
21 2000;

22 “(iii) \$165,000,000 during fiscal year
23 2001;

24 “(iv) \$170,000,000 during fiscal year
25 2002;

1 “(v) \$180,000,000 during fiscal year
2 2003;

3 “(vi) \$190,000,000 during fiscal year
4 2004;

5 “(vii) \$200,000,000 during fiscal year
6 2005; and

7 “(viii) \$210,000,000 during fiscal
8 year 2006 and any succeeding fiscal year.

9 “(B) PUBLICATION.—The Commission
10 shall publish annually in the Federal Register
11 notice of the fee limitations described in this
12 paragraph.

13 “(C) FEE ADJUSTMENTS.—Each national
14 securities exchange and each national securities
15 association shall adopt rules to implement the
16 provisions of this subsection. Such rules shall
17 provide a reduction from the fee amount other-
18 wise described in subsections (b) and (c), for all
19 market participants, including (but not limited
20 to), individual investors, pension funds, mutual
21 fund investors, and market professionals.

22 “(2) OFF-EXCHANGE TRADES OF LAST-SALE-
23 REPORTED SECURITIES.—

24 “(A) IN GENERAL.—The Commission shall
25 for each fiscal year prescribe a limitation on the

1 amount of fees described in subsection (d) to be
2 paid by each national securities association,
3 based on the pro rata share of the aggregate
4 dollar amount of sales of securities described in
5 subsection (d) for the preceding calendar year,
6 such that the total fee payments will not ex-
7 ceed—

8 “(i) \$120,000,000 during fiscal year
9 1999;

10 “(ii) \$125,000,000 during fiscal year
11 2000;

12 “(iii) \$135,000,000 during fiscal year
13 2001;

14 “(iv) \$140,000,000 during fiscal year
15 2002;

16 “(v) \$150,000,000 during fiscal year
17 2003;

18 “(vi) \$160,000,000 during fiscal year
19 2004;

20 “(vii) \$170,000,000 during fiscal year
21 2005; and

22 “(viii) \$180,000,000 during fiscal
23 year 2006 and any succeeding fiscal year.

24 “(B) PUBLICATION.—The Commission
25 shall publish annually in the Federal Register

1 notice of the fee limitations described in this
2 paragraph.

3 “(C) FEE ADJUSTMENTS.—Each national
4 securities association shall adopt rules to imple-
5 ment the provisions of this subsection. Such
6 rules shall provide a reduction from the fee
7 amount otherwise described in subsection (d),
8 for all market participants, including, but not
9 limited to, individual investors, pension funds,
10 mutual fund investors, and market profes-
11 sionals.

12 “(3) REPORT TO CONGRESS.—The Commission
13 shall annually report to Congress the total amount
14 of fees collected pursuant to subsection (b), by each
15 national securities exchange, and the total amount of
16 fees collected pursuant to subsection (b), by each na-
17 tional securities association.

18 “(4) INSUFFICIENT FEES.—In any year in
19 which the total amount of fees collected under this
20 section and section 6(b) of the Securities Act of
21 1933 (including any balance in the account provid-
22 ing appropriations to the Commission) are insuffi-
23 cient to provide for the Commission’s budget author-
24 ity as provided by an Appropriations Act, such Ap-
25 propriations Act may provide that the fee limitations

1 shall be increased by equal amounts under para-
2 graphs (1) and (2), and all such amounts shall be
3 deposited and credited as offsetting collections to
4 the account providing appropriations to the
5 Commission.”.

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